

# Washington Merry-go-round *F Post 9/3/77*

By Jack Anderson & Les Whitten

WASHINGTON — Commercial growth has brought organized crime to Mississippi which was once relatively free of Mafia influence. But now big-time mobsters are beginning to feed on the new prosperity.

Mafia money from Florida, for example, has gone into Mississippi's vending machine industry, state investigators report. Mafia figures from New Orleans, according to FBI sources, also tried to take over the Heidelberg Hotel in Jackson. Only the alert action of the FBI prevented it.

But the Mafia doesn't have a corner on organized crime in Mississippi. The South has developed its own crime syndicate which state investigators have dubbed the "Dixie Mafia."

Unlike its Sicilian counterpart, the Dixie Mafia is non-hierarchical, without dons and godfathers. It has its fingers in illegal activities throughout the South. Its gangster-members are particularly skilled at hijacking trucks and fencing stolen goods.

For a while, the Dallas Police Dept. sent out monthly bulletins on the gang's activities. Mississippi authorities became so alarmed, in turn, that they appealed to Washington for federal funds to combat the Dixie Mafia.

An organized crime task force, operating out of the state attorney general's office, hired a nationally-renowned undercover agent to infiltrate the Dixie Mafia. He is 330-pound Manfred Baron, alias "The Fat Man," who has operated on both sides of the law. In his time, he has been arrested for half-a-dozen crimes, ranging from larceny to attempted rape and spent at least six years in the slammer.

But more recently, the colorful Baron has risked his life to help lawmen break up notorious crime rings. He has helped to put murderers, safe crackers and organized crime figures behind bars. He asserts, no doubt truthfully, that the underworld has issued contracts on his life.

His assignment in Mississippi was to infiltrate the underworld and find out how the Dixie Mafia operates. This was almost certain to lead into the state's political strongholds. For it's a fundamental truth that gangsters need political protection to survive.

"Organized crime can't exist," one top lawman told us, "without corruption at all levels of government." Another explained that the crime syndicate "thrives on (their) ability to neutralize effective government." Underworld sources confirmed, as one put it, that "Big Crime can't flourish without politicians."

The Fat Man, posing as an out-of-state gangster, began frequenting underworld haunts on the Gulf Coast. He let it be known that he wanted to set up a vice operation in Mississippi and needed to arrange the right protection.

He was directed to the Jackson offices of an asphalt paving contractor, named Leo Hall, who has been convicted of two felonies. We have had access to Baron's confidential reports to the organized crime task force. A secretly recorded tape of his meeting with Hall is in the possession of the Mississippi attorney general's office. Baron told Hall that he wanted to put 10 prostitutes into circulation in the Jackson area. Hall replied: "You have come to the right place."

Hall then arranged a meeting between Baron and Lt. John Moulder, the head of the Jackson Police Department's vice squad. Police officers, alerted by Baron, staked out the secret meeting between Moulder, Hall and Baron.

The police watched the three men come to the appointment. Baron was told it would cost \$600 a week for the protection of his prostitutes, according to his confidential reports. Occasionally, some of his girls would be picked up and would have to pay small fines. But they would always be released. It was made clear that a share of the protection money would be paid to higher authorities.

In an earlier column, we reported that Moulder had come under FBI investigation for allegedly coercing a young woman to submit to his sex demands. Confidential FBI and police documents charge that, otherwise, he threatened to serve some arrest warrants he was holding over her head.

The vice squad lieutenant warned, witnesses say, that he would blow the whistle on the higher-ups if he were prosecuted. Approximately two weeks after Moulder's tape-recorded meeting with Baron and Hall, it so happened, Sen. James Eastland, D-Miss., intervened at the Justice Dept. in the Moulder sex case. Two top FBI inspectors were immediately dispatched to Jackson to review the investigation of Moulder. They re-questioned the witnesses and put the FBI agents in charge of the investigation through a hostile grilling.

The effect was to take the wind out of the investigation. One FBI official told us the Washington intervention might be "construed as obstruction of justice."

There is no evidence that Eastland was aware of Moulder's alleged involvement with political payoffs. To the best of our information, he contacted the Justice Dept. about the Moulder case at the urging of powerful political friends in Mississippi.

Meanwhile, Baron sought marked money to complete the pay-off to Hall, Moulder and his political allies. The request was turned down. The sex charge against Moulder was also dropped. He remains on the Jackson police force.

Footnote: Leo Hall completely denies all Baron's allegations. Hall told us he never heard of Baron. Moulder acknowledges meeting Fred Baron, but denies that he made any deals with the undercover agent. Moulder says he told Baron to keep his prostitutes out of Jackson and claims he has never been involved in illegal activities with Hall.